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Approp Budget

76-1365

16 MAR 1976

MEMORANDUM FOR: ✓Deputy Director for Administration
Deputy Director for Intelligence
Deputy Director for Operations
Deputy Director for Science and Technology
Executive Secretary

SUBJECT: Changes in the 1977 Congressional Budget
Before Congressional Action

1. In our Program Call for 1978, we note that Congressional restrictions on our authority to reprogram funds internally mean that we will have to adhere to the Fiscal Year 1977 Operating Plan, as reflected in the Fiscal Year 1977 Budget submitted to Congress, more closely than in the past.

2. We expect Congress to examine our 1977 request in the same detail as they did our 1976 Budget. To help forestall misunderstanding, we believe it is necessary to ensure that the 1977 data Congress will see in the 1978 Budget we submit next February will reflect reasonably well the present 1977 column, except as it may be modified by Reserve releases, Congressional cuts later this year, and the expected October 1976 pay raise. If we are to have this assurance, there must be limits on reprogramming 1977 resources in May when we prepare the 1978 Program, and in August, when we prepare the 1978 OMB submission. In order both to meet the new Congressional limitations and to preserve needed flexibility, therefore, we ask that you adhere to the following guidelines:

- a. No adjustments should be made in the 1977 column between now and final approval of the 1977 Budget by Congress, which will increase or decrease the approved budget of any office (division, in the DDO) explicitly identified in the Congressional Budget by more than \$1 million net. (The only exceptions will be approved Reserve releases or transfers of functions.) If, however, a Directorate reprograms funds from one activity to another, and the Congress subsequently specifically identifies the first activity as an item to be reduced,

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Directorates will be required to absorb the identified cut from other programs. Similarly, if Congress cuts an activity to which funds have been added, that activity will have to be reduced to meet the Congressional mark.

- b. No Directorate (including DCI Area) will reduce the absolute amount of personal services funds for full-time permanent personnel programmed in the 1977 Congressional without prior approval of the Comptroller. Directorates are free to program additional money into personal services if needed, and to move these funds between offices as required, within the \$1 million limitation. If a program is reduced by \$1 million or more, or if the aggregate of reductions among several components exceeds \$1 million in order to make funds available for personal services, a full explanation should be furnished to the Comptroller for his use in explaining the action to Congress.
- c. No adjustments will be made to change the total amount programmed for each directorate for temporary and part-time employment, but directorates are free to reprogram these amounts between components as required. The dollars programmed for temporary and part-time employment constitute the primary control over these categories of employment. We have been flexible in responding to requests to increase amounts programmed for these purposes in 1976, recognizing the fact that accurate estimates could not be developed until we had gained some experience with the changed system of accountability. To avoid the imposition of controls that would be much less flexible than those we now have, however, we must be able to defend the adequacy of our procedures for control of this activity.

4. The Budget Reform Act provides a rigorous schedule under which Congress is expected to have acted upon our budget before the beginning of Fiscal Year 1977 on October 1. No one can be sure that the task will be accomplished as scheduled, but the Congressional Budget Committees have clearly expressed their intent to adhere to it strictly. After Congress has acted on our 1977 request, we will:


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- solicit directorate recommendations for further reprogramming to accommodate unfunded items;
- distribute funds to meet the costs of the anticipated October 1976 pay raise;
- issue Financial Guidance Letters setting forth the 1977 amounts available to the directorates; and,
- specify any limitations on the use of funds required by Congress or which may be necessary internally. The necessary allotments will be issued at that time.

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JOHN D. IAMS
Comptroller

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COMMENT		FILE		RETURN	
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ATT: DDA 76-1365					
Remarks:					
<p>Appears there is some breathing room on reprogramming as long as it doesn't exceed \$1 million.</p>					
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